



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

How American Manufacturers View Employment Relations

By STEPHEN C. MASON

President of the National Association of Manufacturers

IT is unfortunate that in all the discussion emanating from the representatives of organized wage-earners relating to industrial standards after the war, "new rights and advantages" for labor are the principal and practically the only topics upon which stress is laid. Much has been heard about the "better times" alleged to be labor's proper reward by reason of "sacrifices" which it is announced were made by the organized groups during the war.

With no desire to belittle the loyalty of the great mass of the workers of the United States, without reference to organizations, it seems the fact has escaped notice that American labor cannot actually hope either to attain, retain or maintain any existing or future "new rights and advantages," unless such privileges are truly connected with public necessity and welfare and shared in by American employers as well as employees. No benefit or advantage can accrue to the employe that does not come from a healthy, successful and expanding industry.

The overwhelming majority of the manufacturers in this country are firm in their belief that absolutism on the part of the employe is just as bad for the general welfare of the nation as absolutism on the part of the employer. The National Association of Manufacturers is confident that, left to themselves without the irritations, exaggerations and agitations of a comparatively small group of individuals, the workers and employers of the United States would readily find a common and equitable basis on which properly to meet every present and future need.

It is essential, however, in order to provide a more healthful atmosphere in the industrial world, and to ensure the success of the effort to reach and maintain a common ground, that the partners in industry—the wage-earners and wage-payers—be given the benefit of constructive, legitimate and impartial encour-

agement from the government, and a healthy, well-informed public opinion.

Any organization which sets for itself the task, or any part of the task, of creating or sustaining an artificial or abnormal economic condition in American industry is certainly not working for the true and proper interests of its members. It is wasting its time, inviting destruction and running directly counter to public welfare.

In America today we hold the great responsibility of providing example for the rest of the world. Confusions and iniquities which have developed in our American industries during the hustle and bustle of waging war on a modern scale should be and will be eliminated in good time. We must lend our every effort to avoid bitterness, acrimony, calamity, howling or whining. Nothing is to be gained by either side, if there are sides, through cultivation or promotion of misunderstandings. We must be mindful of public tension and public interest in approaching and working out our problems of industrial readjustment.

No manufacturer has or seeks to exercise any rights or privileges which any other American citizen may not have or seek to exercise. In readjusting our industries to a new and proper basis for the work of reconstruction and peace no part of our industrial forces can be asked or expected to give up "advantages" to which it is properly or legitimately entitled. The true measure of so-called industrial advantage, in our opinion, is nothing more or less than a question of public welfare and the national good. No man or group of men has any right to attempt to defend an uneconomic industrial condition when every reason that brought about the abnormal condition has been eliminated.

The National Association of Manufacturers stands firmly for the spirit of patriotic industrial coöperation and good will in the working out of readjustment problems. In time of our national emergency, during the progress of hostilities in France, there was born in our American industrial relations the more general realization that coöperation between employers and employes was a patriotic duty and a privilege, for the nation's safety and prosperity, as well as a good business policy. Distinctly recognizing this important fact, the organized employers of the United States have long since been urging, favoring and pledging that

spirit of common interest in our industrial affairs which the war fostered so greatly among all citizens concerning national duty.

The National Association of Manufacturers, as a body, represents practically every important industry in the United States. Its membership of more than 4,000 is found in every state, and its activities, since its inception at Cincinnati, Ohio, in 1895, have been directly connected with the vital industrial affairs of the nation. Manufacturers within its rank have contributed very largely to the remarkable progress of America, during which the gross value of the industrial output of the entire country, as measured by Census reports, has risen from one billion dollars in 1850 to eleven billions in 1899, twenty-four billions in 1914 (the last normal year) and, considering the very rapid rise in monetary values during the past four years, may be estimated to have doubled the last amount in 1918. Several years ago the annual output of the manufacturing industries of the United States began to exceed in money value the combined annual output of any other two nations of the earth; and the factory production of the members of the National Association of Manufacturers, alone, began to exceed the value of the total annual production of any single foreign nation.

As the president of the Association, therefore, I consider it not only a privilege but a duty to give, as briefly as possible, an accurate account of the nature, scope and purposes of an organization which has grown to be the largest national association in the world whose active membership is wholly made up of manufacturing establishments representing every phase of industry. A clearer understanding and wider appreciation of the spirit of the organization, of the American manufacturer's attitude, and the principles animating the work of the National Association of Manufacturers, may be had by considering and interpreting separately its Declaration of Labor Principles:

(1) Fair dealing is the fundamental and basic principle on which relations between employes and employers should rest.

In this statement we have put tersely our firm belief that fair dealing in industrial relations is not merely incumbent upon those who work for hire but just as much, if not even more, upon

those who, in their capacity as employers, manage and direct industrial enterprises and supervise the collective or individual labors of others. We consider such a policy "good business."

This organization has intensively and unselfishly fostered and promoted in every practical manner the doctrine that every employer should do everything in his power to cultivate and maintain a feeling and condition of human friendliness and brotherhood with his employees. An employer who does not, has poor business vision and is an undesirable citizen. It has always been a puzzle to employers at what stage of the industrial activity they and their employees ceased to be coöperators.

It is a fact that the larger proportion of the most successful employers in this country are men who have seriously undertaken to restore or maintain conditions of friendliness and coöperative good will in their relations towards their employees. Many obstacles to such efforts on the part of employers have been deliberately fostered by influences outside their individual plants, by those who, while harping on the word "exploitation," have themselves actually and most seriously "exploited" the employees.

Fair dealing on the part of employers toward their employees has been demonstrated on more numerous occasions than fair dealing by employees who have blindly followed the orders of certain oldtime masters of the self-profiting art of misleading labor. In this respect much remains to be done in order to clarify the industrial atmosphere and prevent the bickerings, strife and misunderstandings engendered by such labor misleaders and sowers of destructive class hatred and discontent.

Every legitimate and constructive resource at the command of the National Association of Manufacturers has in the past and will continue in the future to be devoted to fair dealings by employers. We feel that, outside of the everyday practical application of the Golden Rule to industrial relations, it is essential that all proper means of education should be fostered and encouraged. This latter need has already been at least partially filled by the nation-wide educational work inaugurated and carried on by the Association since the early part of 1916. In this campaign we made a somewhat successful effort to re-focus the industrial perspective of the American people and give to all classes of

citizens a better understanding of their responsibilities to our industries and of the actual bearing which industrial prosperity has on the public welfare.

Through a carefully selected staff of public speakers, writers, various forms of printed literature, stereopticon slides and moving picture films, we have spread broadcast the constructive gospel of industrial coöperation. The results achieved have been visible already in the recent more general awakening of political leaders, economists, leading employers and bankers, as well as among various craft and trade organizations, to the need for preaching and practising coöperative relations between the employer and the employe.

The work described has been performed by the National Association of Manufacturers because there seemed to be a general public misconception of industrial problems, needs and conditions which had greatly contributed toward industrial inefficiency and the creation of unrest and strife. It has been carried on free of any tinge of prejudice or controversial effort, simply as a constructive educational campaign to make possible the greater realization of that spirit of fair dealing enunciated in the first article of the Association's Declaration of Labor Principles.

(2) The National Association of Manufacturers is not opposed to organizations of labor as such, but it is unalterably opposed to boycotts, blacklists and other illegal acts of interference with the personal liberty of employer or employe.

From its organization this Association has never denied nor condemned the right to existence of labor unions. It has, however, insistently demanded that labor organizations be founded upon an enlightened public consciousness, and their operations based upon legitimate principles, and that they recognize the right of all workers to engage for their services under such lawful conditions as may seem best to them. Such organizations should establish responsibility for their contracts. Power without responsibility always leads to abuse. There can be little room for doubt that the general disuse into which such labor union tactics as boycotts and blacklists have happily fallen in recent years has proved not only their illegal nature (as numerous court decisions proclaim)

but the emphatic disfavor of the general public regarding such practices.

"Cruel," "cowardly," "immoral" and "anti-social," are some of the judicial characterizations of the un-American labor union weapon, the boycott. The pernicious nature of both this practise and that of labor union blacklists is that they are serious invasions of the rights and personal liberties not only of the employer and employe, parties to a dispute, but inflict injury on third persons who are not interested parties in the controversy. We equally condemn any such practices on the part of employers. Against such oppressive illegal acts the Association has stood and always will stand firm.

(3) No person should be refused employment or in any way discriminated against on account of membership or non-membership in any labor organization, and there should be no discriminating against or interference with any employe who is not a member of a labor organization by members of such organizations.

This declaration embraces the fundamental principle that every person who labors must have the freedom to engage for and deliver his or her services without interference; conversely, every employer of labor must have the freedom to hire the class, grade, quantity and quality of labor best suited to his needs. This is the definition of the important industrial principle of the "Open Shop." It is a principle that should neither be denied nor compromised in the interest of either employers or employes, and is a sound doctrine interwoven with certain inherent, individual, human rights. An analysis of this tenet shows it to be neither offensive nor destructive. On the contrary it is a safeguard of a sacred individual human right whether it is industrial in application and exercise, or otherwise. It is a concept upon which our Constitution and political institutions are based.

(4) With due regard to contracts, it is the right of the employe to leave his employment whenever he sees fit, and it is the right of the employer to discharge any employe when he sees fit.

This declaration is based upon the vested individual rights of employe and employer. No one questions the right of any em-

ployee to terminate his employment when he desires to do so, but this does not carry with it the right to conspire with or influence fellow workers to quit simultaneously with him, to the injury or interference with their employer's business, or to undertake to prevent anyone from taking the position he has left.

On the other hand, it must be recognized that the employer has absolute freedom in the selection of employees that he considers will be satisfactory and efficient for the services required with compensation for such service at the prevailing rates of wages, and the right to dispense with such services whenever he desires to do so.

(5) Employers must be free to employ their work people at wages mutually satisfactory, without interference of dictation on the part of individuals or organizations not directly parties to such contracts.

Personal and legally recognized property rights vested in the builders, managers and owners of industrial enterprises, are involved in this article of faith. Old established common law rights of individuals to enter into such proper contracts as may seem best to each party thereto without interference on the part of third or outside persons are simply defended by this principle. It contains the timely sentiment that individual initiative and the institution of private property is something worth making the greatest sacrifices to preserve. No effort is made to infringe upon any vested or recognized rights or privileges of employees in such a doctrine. Indeed, by stoutly asserting the specific rights of employers, as such, an indirect service is done to workers and an acknowledgment made of the fact that our industrial elements have certain clearly defined limitations in their relations with each other. No one is more vitally concerned in the right of individual contract than the worker. This right was denied in old English statutes and common law and the securing and establishment of this right was one of the first steps toward emancipation of the employed.

(6) Employers must be unmolested and unhampered in the management of their business, in determining the amount and quality of their product, and in the use of any methods or systems of pay which are just and equitable.

Herein is enunciated the fundamental condition of the successful conduct of business that the owners and managers of manufacturing establishments must be protected in their right to operate their plants without outside interference, according to the natural and legally defined regulations of commerce. The principle demands free exercise of individual business judgment and initiative, without which there would be little, if any, incentive to engage in business enterprise, and indirectly insists upon a recognition that the principles of management are primarily and distinctively within the province of plant owners and operators, and the intervention of outside, uninformed individuals or organizations is neither desirable nor proper in theory or practice. As the success and expansion of business depends primarily on management, it clearly follows that you cannot hamper management without injuring industry.

(7) In the interest of employes and employers of the country no limitation should be placed upon the opportunities of any person to learn any trade to which he or she may be adapted.

Unrestricted opportunity for industrial education of the youth of the land so that there may be produced efficient industrial workers, is the underlying thought involved in this statement. It implies a complete rejection of the erroneous and harmful principle of trade unions by which limitations are placed upon the number of apprentices permitted to be employed in the skilled trades. In recent years there has been a widespread awakening of public interest in the subject of vocational training. Municipal, state and even the federal government, realizing the dire necessity for the more general systematic industrial training of our youth, have undertaken extensive plans in this direction. For more than twenty years the employers of the country embraced in the ranks of the association have not only recognized the urgency of this problem, but have consistently made every possible effort to increase the opportunities of any person to learn any trade to which he or she may be adapted. The widespread recognition of this question during recent years is an indication of the soundness of the position taken by the Association upon this question.

(8) The National Association of Manufacturers disapproves absolutely of strikes and lockouts and favors equitable adjustment of all conditions between employers and employes by any amicable method that will preserve the rights of both parties.

This portion of our principles we honestly regard as a long standing monument to the American employer's recognition of the need and value of the maintenance of industrial peace. It will be noted that no specific recommendation as to a means to this end is contained in the principle. This in itself is an absolute refutation of the charge that employers have generally favored any iron-clad form of industrial armistice. Furthermore, no reference is here made to any special views which the employer may entertain as to various forms of industrial arbitration and conciliation which have been tried and in many instances found wanting.

The attitude of the organized employers of the nation in disapproving emphatically of the strike, which is commonly regarded as labor's chief weapon of offense as well as defense, has been no less emphatic with respect to disapproval of the lockout which has been regarded an offensive and defensive weapon of employers. Concretely put, it is the feeling of the members of the Association that the complicated question of wages and related industrial problems, in the interest of industrial development, must be met with the utmost fairness of which human intelligence is capable. The belief is now more general than ever among the employers of America that the old-time selfishness of both the employer and the employe must absolutely be put aside and each be content, the worker to engage for his labor at a reasonably proper wage and the employer to hire labor on the same equitable basis. Going a step further, it is our firm belief that a more common recognition of the actual partnership relation and joint responsibility which exists between the man who pays a wage and the man who receives a wage, would be the greatest single contribution to the cause of industrial peace and prosperity that is capable of achievement.

(9) Employes have the right to contract for their services in a collective capacity, but any contract that contains a stipulation that employment should be denied to men not

parties to the contract, is an invasion of the constitutional rights of the American workman, and is against public policy and in violation of the conspiracy law. This Association declares its unalterable antagonism to the closed shop, and insists that the doors of no industry be closed against American workmen because of their membership or non-membership in any labor organization.

The evident purpose of such a declaration as this is the affirmation of the sacred and unassailable constitutional right of every worker and of every person to engage for his labor in a free and unrestricted market. Despite the efforts of many to garble and destroy this vital industrial truth, it is unquestionable that the prosperity of this country depends upon strict adherence to this fundamental rule of liberty and justice. The employers of America regard this principle as something that cannot, in the interests of free institutions, be abridged by legislation. In other words, we insist that no man or group of men whether employers or employes, has any right to place a brand upon any human being and say that those so branded, regardless of merit, are entitled to special privileges, and in the same breath to say that those who are not so branded and not willing to be so branded must be limited in or prevented from the full exercise of their constitutional rights.

It may be timely to record the fact that the question of collective, shop bargaining, or coöperative representation already has had earnest consideration by a large number of manufacturers throughout the country, and practical and successful plans embodying such purposes are already in operation in many important establishments. In the adoption of these industrial representation plans no question is raised regarding the membership of workers in outside organizations.

These plans present a method by which employes can deal collectively, through representatives selected or elected by them, with their employers in relation to all questions and conditions of employment. They will furnish a new channel of communication between wage-earners and wage-payers whereby they may better be able to avoid misunderstandings and mutually agree upon satisfactory adjustments of wages, working conditions, etc., and promote and establish such friendly relationships and coöperative spirit as will be beneficial and to the best interests of both. Such

activities are clearly within the scope of this principle of our organization.

(10) The National Association of Manufacturers pledges itself to oppose any and all legislation not in accord with the foregoing declaration.

This principle, the last of the ten embodied in the Association's declarations, is nothing more than a pledge that we will use all proper and legitimate effort to prevent the passage of laws designed by self-seeking interests, to contravene, infringe upon, or take away from the human elements engaged in our manufacturing industries the sacred and inherent rights and privileges involved in any and all of the nine preceding declarations of principles. A careful analysis of the position enunciated in these principles we believe will convince any unprejudiced mind that they are unassailable and might well be adopted throughout the United States, as a sound basis for the conduct and guidance of American industrial relations, in meeting and solving the many existing problems of readjustment.

The spirit of the chartered purpose of the Association is best interpreted in the one word "service"; service first to our country, second, service to our fellow men, both the toilers in the humblest trades and men of genius charged with vast industrial responsibilities; lastly, service to the perpetuation of America's magnificent manufacturing structure.